

**MESA CORTINA WATER AND SANITATION DISTRICT
SUMMIT COUNTY, COLORADO**

ADOPTED 2010 BUDGET

December 2009

MESA CORTINA WATER AND SANITATION DISTRICT

2010 BUDGET MESSAGE

1. The Mesa Cortina Water and Sanitation District is a Title 32 special district that was organized by Organizational Decree entered by the Summit County District Court on October 15, 2002, pursuant to Part 3 of the Special District Act, 32-1-101, C.R.S., et seq. The District was organized for the express purpose of acquiring the Mesa Cortina Water System and the Mesa Cortina Sewer System from Summit County. Said water and sewer systems were previously financed, operated and maintained by Summit County as an enterprise operation pursuant to the Mesa Cortina Water and Sewer Enterprise Fund.

2. The 2010 budget is prepared on a modified accrual accounting basis. Revenues for the District are from user fees. Revenues are allocated to the period incurred and expenses are recorded when the liability is incurred. The District operates as a water activity enterprise and does not assess a property tax mill levy.

3. The District has been an independent entity since its inception in June 2003. The District was operated by Summit County Government until it was transferred to the homeowners. Operation is controlled by a five person Board of Directors. Services including District management, administration, financial reporting and operations are contracted for. There are no employees of the District.

4. The District utilizes a rate structure designed to encourage water conservation. The base water rate was increased by 5% effective January 1, 2010 to obtain adequate revenue to meet operating expenses. For 2010 the water base rate is \$126 per quarter including 6,000 gallons of usage. Usage in excess of 6,000 gallons, but less than or equal to 15,000 gallons is billed at \$6 per 1,000 gallons. Usage greater than 15,000 gallons, but less than or equal to 25,000 gallons is billed at \$8 per 1,000 gallons. Usage in excess of 25,000 gallons is billed at \$15 per 1,000 gallons. The budget anticipates water usage of residents to be similar to prior years.

5. The sewer rate is based on the EQR as established by the Joint Sewer Authority (JSA). The base EQR of 1 is for residential units of up to three bedrooms and up to three bathrooms. Any bedroom and/or bathroom in excess of three is billed an additional EQR of 0.1. The 2010 quarterly rate is \$126 per EQR per quarter.

6. In 2008 the District increased tap fees and provided a credit of prior prepaid tap fees. For 2010, the water tap fees will be \$6,600. The sewer tap fee will be \$6,600 for up to 3 bedrooms and/or 3 bathrooms. Any bedroom and/or bathroom in excess of three is charged a tap fee of \$660. This fee is applicable to new construction and

remodels of existing properties. For new properties, a prepaid water tap fee of \$3,500 and sewer tap fee of \$3,500 is credited against the tap fees due.

7. All properties in the District that do not have improvements are subject to a Standby fee of \$38 for water and \$38 for sewer or a total of \$76. The standby fee is charged to assist in the maintenance of the existing infrastructure and to cover JSA fees applied to unused EQR's.

8. The District water supply is from two active wells on site and water purchased from the Buffalo Mountain Metro District. Water purchases from the Buffalo Mountain Metro District are based on a minimum usage fee of \$14 per month (\$42 per quarter) and include 2,000 gallons per month per EQR or a total of 428,000 gallons based on 214 connected users. Water usage in excess of the gallons included is charged at \$3 per 1,000 gallons. The rate charged from Buffalo Mountain Metro District (BMMD) is subject to changes based on their current rates and Board decisions.

9. For wastewater treatment purposes, the collection system of the District is connected to the Buffalo Mountain Metro District sewer line that transports it to the Joint Sewer Authority for processing. The District pays a quarterly fee to Buffalo Metro District in advance for the rental of the sewer line. The District pays in advance an operation processing fee to the JSA based on the EQR's for improved properties and capital fees for all available EQR's.

**Mesa Cortina Water & Sanitation District
2010 Budget - General Fund**

	Actual 2008	Estimated 2009	Budget 2010
BEGINNING FUND BALANCE	\$ 240,796	\$ 182,647	\$ 265,361
REVENUES			
Water Revenue			
User fees	\$ 114,753	\$ 127,291	\$ 133,480
Standby fees	\$ 4,818	\$ 5,292	\$ 5,472
Tap fees	\$ 2,500	\$ 0	\$ 3,100
Other water income	\$ 0	\$ 0	\$ 0
Total Water Revenue	\$ 122,071	\$ 132,583	\$ 142,052
Sewer Revenue			
User fees	\$ 98,648	\$ 109,008	\$ 115,164
Standby fees	\$ 4,974	\$ 5,292	\$ 5,472
Tap fees	\$ 7,300	\$ 0	\$ 4,420
Other sewer income	\$ 0	\$ 10,438	\$ 1,080
Total Sewer Revenue	\$ 110,922	\$ 124,738	\$ 126,136
Inspections			
Inspection Fees	\$ 2,020	\$ 0	\$ 500
Meter Sales	\$ 1,220	\$ 0	\$ 400
Total Inspections Revenue	\$ 3,240	\$ 0	\$ 900
Other Revenue			
Loans/Grants	\$ 0	\$ 100,000	\$ 0
Interest Income	\$ 3,608	\$ 5,770	\$ 5,000
Finance Charges	\$ 96	\$ 135	\$ 50
Total Other Revenue	\$ 3,704	\$ 105,905	\$ 5,050
TOTAL REVENUE	\$ 239,937	\$ 363,226	\$ 274,138
TOTAL FUNDS AVAILABLE	\$ 480,733	\$ 545,873	\$ 539,499
EXPENDITURES			
Water Expenses			
Operations	\$ 12,204	\$ 9,932	\$ 9,000
Operations maintenance	\$ 11,846	\$ 8,222	\$ 6,000
Repair and maintenance	\$ 34,048	\$ 29,828	\$ 20,000
Testing and sampling	\$ 1,307	\$ 2,519	\$ 2,500
Water purchases	\$ 36,581	\$ 36,847	\$ 37,000
Miscellaneous	\$ 795	\$ 890	\$ 2,500
Utilities	\$ 5,186	\$ 5,180	\$ 6,000
Meter reading	\$ 0	\$ 0	\$ 0
Engineering	\$ 528	\$ 1,163	\$ 2,500
Total Water Expense	\$ 102,495	\$ 94,581	\$ 85,500
Sewer Expenses			
Operations	\$ 6,096	\$ 4,968	\$ 4,404
Operations maintenance	\$ 5,940	\$ 1,060	\$ 2,500

Repair and maintenance	\$	32,148	\$	16,663	\$	10,000
JSA expense	\$	55,853	\$	57,423	\$	57,000
Sewer line rental	\$	15,102	\$	15,210	\$	15,192
Miscellaneous	\$	0	\$	0	\$	0
Utilities	\$	460	\$	518	\$	500
Engineering	\$	0	\$	0	\$	0
Total Sewer Expense	\$	115,599	\$	95,842	\$	89,596
Inspection Expense						
Inspection Cost	\$	870	\$	190	\$	500
Other	\$	262	\$	240	\$	400
Total Inspection Expense	\$	1,132	\$	430	\$	900
Administration Expense						
District manager	\$	11,010	\$	12,645	\$	15,000
Administration / bookkeeping	\$	24,000	\$	24,000	\$	24,000
Legal	\$	2,425	\$	9,941	\$	6,000
Audit	\$	350	\$	375	\$	500
Office supplies	\$	776	\$	724	\$	1,000
Postage	\$	631	\$	492	\$	540
Bank fees	\$	309	\$	302	\$	300
Memberships and dues	\$	2,361	\$	2,060	\$	2,400
Director fees	\$	4,550	\$	4,100	\$	5,500
Telephone	\$	0	\$	0	\$	0
Insurance	\$	1,509	\$	1,497	\$	1,800
Master Plan	\$	806	\$	393	\$	0
Miscellaneous	\$	88	\$	768	\$	480
Total Administration Expense	\$	48,815	\$	57,297	\$	57,520
Capital Expense						
Water Tank	\$	0	\$	1	\$	0
Sewer system - I&I	\$	0	\$	30,147	\$	20,000
Sewer system - taps	\$	6,500	\$	0	\$	0
Water Source	\$	23,545	\$	2,214	\$	20,000
Total Capital Expense	\$	30,045	\$	32,362	\$	40,000
TOTAL EXPENDITURES	\$	298,086	\$	280,512	\$	273,516
ENDING FUND BALANCE	\$	182,647	\$	265,361	\$	265,983

RESOLUTION 09-12-1

MESA CORTINA WATER AND SANITATION DISTRICT

SUMMIT COUNTY, COLORADO

A RESOLUTION SUMMARIZING THE EXPENDITURES AND REVENUES AND ADOPTING A BUDGET FOR THE MESA CORTINA WATER AND SANITATION DISTRICT, SUMMIT COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2010 AND ENDING ON THE LAST DAY OF DECEMBER 2010.

WHEREAS, the Board of Directors of the Mesa Cortina Water and Sanitation District appointed Bob Polich to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, Bob Polich submitted a proposed budget on or before October 15, 2009; and

WHEREAS, upon due and proper notice, published in accordance with law, said proposed budget was open for inspection by the public at a designated place, and a public hearing was held on December 1, 2009, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the proposed budget has been prepared to comply with all terms, limitations, and exemptions, including but not limited to, reserve, transfer and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution and other laws, which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues, so that the budget remains balanced, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Mesa Cortina Water and Sanitation District, Summit County, Colorado:

Section 1. That the estimated expenditures for each fund for the calendar year beginning on the first day of January, 2010, and ending on the last day of December, 2010, are as follows:

Enterprise Fund

Current operation, maintenance, administration	
contingency and capital projects outlay	\$ 273,516
Transfer to ending Fund Balance	\$ <u>622</u>
Total Expenditures	\$ 274,138

Section 2. That the estimated revenues for each of the District’s funds for the calendar year beginning on the first day of January, 2010, and ending on the last day of December, 2010, are as follows:

Enterprise Fund

From unappropriated surpluses	\$ 0
From general property tax revenue	\$ 0
From operating revenues and sources	
other than taxes	\$ <u>274,138</u>
Total Enterprise Fund Revenue	\$ 274,138

Section 3. That the budget, as submitted, amended, and herein summarized, is hereby approved and adopted as the budget of the Mesa Cortina Water and Sanitation District for the calendar year beginning on the first day of January, 2010, and ending on the last day December, 2010.

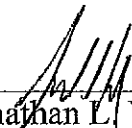
Section 4. That the budget, hereby approved and adopted, shall be a part of the public record of the Mesa Cortina Water and Sanitation District, a copy of which is attached hereto as Exhibit “A”.

Section 5. That the budget, as hereby approved and adopted, shall be certified by the Treasurer, Secretary and/or President of the District, to all appropriate agencies, and is made a part of the public records of the District.


ADOPTED on the 1st day of December, 2009.

MESA CORTINA WATER AND
SANITATION DISTRICT

By


Jonathan L. Whinston, President

Attest:


Charles V. Gray, Secretary

RESOLUTION 09-12-2

MESA CORTINA WATER AND SANITATION DISTRICT
SUMMIT COUNTY, COLORADO

A RESOLUTION APPROPRIATING SUMS OF MONEY FOR THE MESA CORTINA WATER AND SANITATION DISTRICT, IN THE AMOUNT AND FOR THE PURPOSES SET FORTH BELOW FOR THE 2010 BUDGET

WHEREAS, the Board of Directors of the Mesa Cortina Water and Sanitation District adopted the annual budget for 2010 in accordance with the Local Government Budget Law on December 1, 2009; and

WHEREAS, the Board of Directors of the Mesa Cortina Water and Sanitation District has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operation of the Mesa Cortina Water and Sanitation District for 2010.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Mesa Cortina Water and Sanitation District, Summit County, Colorado as follows:

Section 1. That the following sums of money are hereby appropriated from the revenue of the District's Enterprise Fund for the purposes stated:

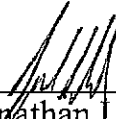
Enterprise Fund

Current operation, maintenance, administrative, contingency and capital projects outlay	\$ 273,516
Transfer to Ending Fund Balance	\$ <u>622</u>
Total Appropriation	\$ 274,138

ADOPTED this 1st day of December, 2009.


MESA CORTINA WATER AND
SANITATION DISTRICT

By



Jonathan L. Winston, President

Attest:



Charles V. Gray, Secretary

RESOLUTION 09-12-3

MESA CORTINA WATER AND SANITATION DISTRICT

SUMMIT COUNTY, COLORADO

A RESOLUTION NOT TO CERTIFY GENERAL PROPERTY TAXES FOR TAX YEAR 2009 AND AUTHORIZING THE CERTIFICATION OF A ZERO MILL LEVY TO THE COUNTY COMMISSIONERS OF THE COUNTY OF SUMMIT, COLORADO.

WHEREAS, the Board of Directors of the Mesa Cortina Water and Sanitation District has adopted the annual budget in accordance with the Local Government and Budget Law on December 1, 2009; and

WHEREAS, the District operates as a enterprise and the amount of money necessary to balance the budget for the operation and maintenance purposes, including capital project outlays and contingencies, from general property tax revenue is \$0; and

WHEREAS, the District has no outstanding bonded indebtedness; and

WHEREAS, the valuation for assessment for the Mesa Cortina Water and Sanitation District as certified by the County Assessor of Summit County, Colorado is \$13,510,390; and

WHEREAS, the Mesa Cortina Water and Sanitation District operates as an Enterprise and therefore does not impose a property tax and has no authority to certify a property tax mill levy.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Mesa Cortina Water and Sanitation District, Summit County, Colorado:

Section 1. That the District operates as an enterprise and accordingly shall not certify a mill levy for the purpose of meeting operation, maintenance, capital project and other expenditures required of the District for the 2010 budget year.

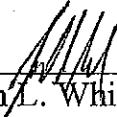
Section 2. That the District has no outstanding general obligation bonds and does not need to and accordingly shall not certify a mill levy for the purpose of meeting debt service requirements during the 2010 budget year.

Section 3. That the District's legal counsel has previously certified a zero mill levy to the Board of County Commissioners of Summit County, Colorado and the District hereby ratifies and approves said action.

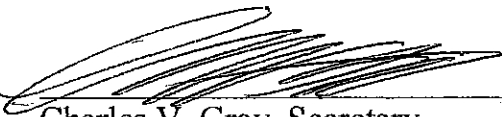
ADOPTED on the 1st day of December, 2009.

MESA CORTINA WATER AND
SANITATION DISTRICT

By


Jonathan L. Winston, President

Attest:


Charles V. Gray, Secretary

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Summit County, Colorado.

On behalf of the Board of Directors,
(taxing entity)^A

the _____,
(governing body)^B

of the Mesa Cortina Water and Sanitation District,
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 13,510,390 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ _____ (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: December 2, 2009 for budget/fiscal year 2010.
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	0.000 mills	\$ 0.00
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	0.000 mills	\$ 0.00
3. General Obligation Bonds and Interest ^J	0.000 mills	\$ 0.00
4. Contractual Obligations ^K	0.000 mills	\$ 0.00
5. Capital Expenditures ^L	0.000 mills	\$ 0.00
6. Refunds/Abatements ^M	0.000 mills	\$ 0.00
7. Other ^N (specify): _____	0.000 mills	\$ 0.00
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	0.000 mills	\$ 0.00

Contact person: (print) Timothy J. Flynn Daytime phone: (303) 986-1551
Signed: [Signature] Jonathan Whinston Title: President

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 866-2156.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- 1. Purpose of Issue: NA
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

- 2. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

CONTRACTS^K:

- 3. Purpose of Contract: NA
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____

- 4. Purpose of Contract: _____
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.